

June 20, 2005

The Honorable Kevin Brady U. S. House of Representatives 428 Cannon Building Washington, DC 20517

Dear Congressman Brady:

Corn Producers Association of Texas would appreciate your support for the Central American Free Trade Agreement (CAFTA.) The CAFTA agreement provides some much needed balance to the trade situation, opening markets in Central American nations. Certain U.S. products will gain entry into those countries immediately, with other scheduled tariff reductions in future years.

Of particular interest to Texas producers is the opportunity to export beef, poultry, corn, and rice. All of these products gain significant access to the Central American market. It is reasonable to expect that agricultural exports to these countries could amount to approximately \$1.5 billion annually. Again, this comes with little or no downside since our markets are already substantially open.

As the nation's 7th largest exporter of feed grains, Texas corn producers benefit from CAFTA. It is also important to note that about 80% of Texas corn is used for livestock feed for beef, swine, and poultry, with exports of all of these expected to increase with the passage of CAFTA. Advantages to Texas producers include the elimination of duties on yellow corn immediately in Costa Rica and the Dominican Republic. Other countries will provide preferential access through individual duty-free TRQ's.

Texas farmers and ranchers would benefit greatly if CAFTA is approved by Congress. CAFTA demonstrates the continued importance of trade in the U.S. Its failure would be ironic if Congress were to defeat trade-enhancing opportunities, while also making budget cuts in vital agricultural programs.

Again, your support and vote for the Central American Free Trade Agreement is extremely important to U.S. agriculture.

Sincerely,

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